



NATIONAL ASSOCIATION OF REHABILITATION PROVIDERS AND AGENCIES

11250-8 Roger Bacon Drive
Suite 8
Reston, Virginia 20190-5202
(703) 437-4377
FAX (703) 435-4390
www.naranet.org

June 18, 2002

The Honorable William M. Thomas
The Honorable Nancy Johnson
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Thomas and Chairwoman Johnson:

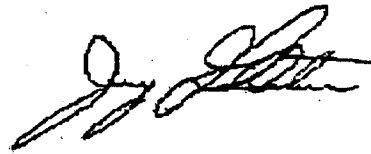
The National Association of Rehabilitation Agencies and Providers (NARA) thanks you for your hard work on the recently introduced Medicare prescription drug legislation and on the provider modifications contained therein. NARA represents hundreds of rehabilitation agencies that furnish physical therapy, occupational therapy, and speech-language pathology services to Medicare beneficiaries nationwide. Your legislation includes provisions that are of the utmost importance to our members, including the additional two-year moratorium of the \$1500 annual limits on outpatient rehabilitation therapy services and the provision that modifies the physician fee schedule whereby Medicare reimburses therapy providers.

The \$1500 limits established by the Balanced Budget Act of 1997 (BBA) impose arbitrary limitations on patient access to rehabilitative therapy and prevent patients from receiving the care they need. NARA appreciates your support in extending the moratorium on the imposition of the cap as additional work is conducted to develop an appropriate payment policy.

As you know, on January 1, 2002, therapists paid under the fee schedule experienced a sharp (5.4 percent) across-the-board reduction in their Medicare payments. Your legislation adjusts the updates for provider services for 2003 through 2005 to 2 percent, and permanently changes the gross domestic product (GDP) component of the sustainable growth rate (SGR) formula to a 10-year rolling average of GDP. These are positive steps in the right direction towards ensuring that providers are adequately compensated by Medicare for their provision of services. We look forward to working with you towards developing a permanent payment mechanism that will ensure adequacy of payments and beneficiary access to care.

We thank you for supporting the moratorium and for adjusting the physician fee schedule. Our members are very grateful for your hard work on this comprehensive legislation and we look forward to working with you to ensure swift passage in the House, and consideration in the Senate in order to ensure that patients receive the therapy they need and that rehabilitation providers are appropriately compensated for the care they offer.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Goldstein", with a stylized flourish at the end.

Jerry Goldstein, MSA
President